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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 001598

SIPDIS

FOR AF ASSISTANT SECRETARY NEWMAN

E.O. 12958: DECL: 09/16/2014 TAGS: <u>PREL MARR EFIN KDEM NI</u>

SUBJECT: U.S./NIGERIA BILATERAL RELATIONSHIP: OBASANJO LAYS

DOWN MARKERS

REF: ABUJA 1472

Classified By: Ambassador John Campbell for Reasons 1.5 (B & D).

11. (C) Summary: In a public speech given at a Nigeria-U.S. investment conference sponsored by the Corporate Council on Africa/The Nigerian Economic Summit Group on September 16, President Obasanjo departed from his previously prepared text to lay down markers on the U.S./Nigeria bilateral relationship. He said that the Gulf of Guinea Commission was the proper forum for resolving border disputes in the region, referred to a U.S./Nigeria partnership to ensure security in the Gulf of Guinea, and argued forcefully for debt relief as a part of that "partnership." He was scathing in his dismissal of the argument that Nigeria's oil mitigates against debt relief. The speech was heavily covered by the Nigeria print and electronic media reporters. During the break following the speech, Oby Ezekwesili told me that she saw members of the U.S. Congress as a major impediment to debt forgiveness. End Summary.

THE GULF OF GUINEA COMMISSION

- 12. (U) Obasanjo's prepared speech for the investment conference was unremarkable (copy faxed to AF/W). However, he departed from his previously circulated remarks to make the following points. Echoing comments he made to Senator Hagel (reftel), he said that he had been concerned about security in the Gulf of Guinea since he became President in 1999, and that security was also in the manifest interest of the U.S. For that purpose he had undertaken a Gulf of Guinea Initiative to address the issues of changing security, economic and political patterns expected in the region over the next decade, and had put together a Gulf of Guinea Commission of affected governments to take action. That Commission, he continued, is the proper instrument for resolving issues in the Gulf of Guinea, including the international maritime boundaries between countries in the Gulf. It had already been the means for resolving differences with Sao Tome and Principe and the establishment of the Nigeria-STP Joint Development Zone. It had also been the means for resolving differences with Equatorial Guinea.
- 13. (U) In the future, Obasanjo continued, the Gulf of Guinea Commission should be the means of resolving the boundaries with Cameroon (it is the maritime boundary that is holding up Bakassi peninsula reversion -- septel). The Gulf of Guinea Commission, he continued, should be "strongly" supported by the U.S., because Nigeria and the U.S. must work together on issues of strategic importance to both nations. The Gulf of Guinea, he continued, needs more U.S. involvement. Specifically, Nigeria needs U.S. assistance in developing its own lift capability: the U.S. should help Nigeria develop the capability so it could intervene as necessary in the region to promote peace and stability. He then mentioned Nigeria's peacekeeping role in Sierra Leone, Liberia, Cote d'Ivoire and Sudan (Darfur), strongly implying a debt of gratitude owed to Nigeria by the international community and the U.S. He referred to the U.S. and Nigeria as "joint guarantors of peace in the Gulf of Guinea."

AND RELIEF OF NIGERIA'S SMALL U.S. DEBT

14. (U) But, Obasanjo told the U.S.-Nigeria investment conference, the U.S. was not being supportive on debt relief, despite this strategic partnership and Nigeria's international peacekeeping roles. He pointed out that Nigeria's debt to the U.S. is "under one billion dollars." He was scathing in his dismissal that Nigeria's oil revenues were a consideration against debt relief. He claimed that Nigeria's population is 150 million, about the same as the Russian Federation's (most observers see Nigeria as 130-140 million), and Russia produces four times as much oil as Nigeria. Yet the U.S. is forgiving Russia's debt —— and Iraq's: "this is absurd in the extreme", he said. If the U.S. and Nigeria really are "joint guarantors of security in the Gulf of Guinea, shouldn't you (the U.S.) show it?"

15. (U) Obasanjo then raised the possibility of establishing

a "fund, to be jointly managed by the U.S. and Nigeria," that would include the money saved by debt forgiveness. This fund would be used for hospitals, education, etc. He said there could even be participation by the relevant UN agencies in the management of the fund. Reverting to a frequent theme, Obasanjo then said that the achievements of his government were not receiving due acknowledgment from the international community, including the U.S. He said Nigeria deserved "a pat on the back, which makes you do more."

16. (C) During a break in the U.S.-Nigeria investment conference after the President left, Oby Ezekwesili, Senior Personal Advisor to the President on Due process, a member of the economic reform "dream team" and a close ally of Minister of Finance Ngozi, commented to me that she thought a major U.S. obstacle to debt forgiveness is the U.S. Congress.

"They still operate according to the old stereotypes, 419 scams, drugs, etc." She said Nigeria needs to work harder on the Hill.

AMBASSADOR'S COMMENT

17. (C) Obasanjo was laying down markers about the U.S./Nigeria bilateral relationship before a large audience that included U.S. business people and prominent think-tankers, as well as the cream of Nigeria's own business establishment. I could see the script from which he was reading: the words were clearly carefully chosen and thought-out -- he was not speaking off the cuff. His mien was severe. His message to us seemed to be that it is pay-back time: in return for his reforms at home and his activism abroad, he deserves U.S. political and strategic support in the Gulf of Guinea, including his use of the Gulf of Guinea Commission to resolve boundary disputes, and above all, for debt forgiveness. As for the Nigeria/U.S. "security partnership" in the Gulf of Guinea, this seems to be based on his reading that the U.S. is absolutely dependent now, or in the future, on the energy reserves in the region. I presume that his speech will get heavy play in the Nigerian media. CAMPBELL